

AVID PLC
FINANCIAL STATEMENTS
- FOR THE YEAR ENDED -
31 DECEMBER 2009

COMPANY NUMBER: 2691049

TUESDAY



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AVID PLC

COMPANY INFORMATION

DIRECTORS

P Troesch
H Stoddard III

SECRETARY

P Troesch

REGISTERED ADDRESS

Unit 1
Knights Court
South Chailey
Lewes
East Sussex

AUDITORS

RSM Tenon Audit Limited
Vantage
Victoria Street
Basingstoke
Hampshire

ACCOUNTANTS

RSM Tenon Limited
Accountants & Business Advisors
Vantage
Victoria Street
Basingstoke
Hampshire

PRINCIPAL BANKERS

Barclays Bank plc
High street
Lewes
East Sussex

AVID PLC

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AVID PLC

DIRECTORS' REPORT YEAR ENDED 31 DECEMBER 2009

The directors present their report and the audited financial statements for the company and its group for the year ended 31 December 2009

Principal activities and business review

The principal activity of the company and its group during the year was that of the supply of electronic tagging systems

Directors

The directors who served during the period were as follows

P Troesch
H Stoddard III

Results and dividends

The results for the year are set out on page 5

The directors do not recommend payment of a dividend

Directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice

Company law requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the group and company and of the profit or loss of the group and company for that year. In preparing those financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the group and company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

AVID PLC

DIRECTORS' REPORT (continued) YEAR ENDED 31 DECEMBER 2009

In so far as the directors are, individually, aware

- there is no relevant audit information of which the company's auditor is unaware, and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

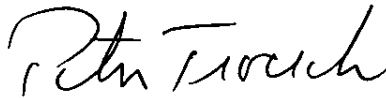
Auditor

Our auditors have changed their name to RSM Tenon Audit Limited and have signed the audit report in their new name.

RSM Tenon Audit Limited are deemed to be reappointed under section 487(2) of the Companies Act 2006.

Signed on behalf of the directors

P Troesch
Director



Approved by the directors on

12 November 2010

AVID PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVID PLC YEAR ENDED 31 DECEMBER 2009

We have audited the financial statements of Avid Plc for the year ended 31 December 2009 on pages 5 to 18. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Sections 495 and 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the group and company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' Responsibilities Statement set out on pages 1 to 2, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the group and company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by directors, and the overall presentation of the financial statements.

Opinion on financial statements

In our opinion the financial statements

give a true and fair view of the state of the group and company's affairs as at 31 December 2009 and of its profit for the year then ended,

have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and

have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

AVID PLC

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AVID PLC YEAR ENDED 31 DECEMBER 2009

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

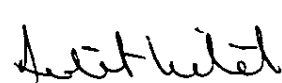
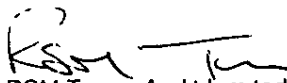
adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us, or

the financial statements are not in agreement with the accounting records and returns, or

certain disclosures of directors' remuneration specified by law are not made, or

we have not received all the information and explanations we require for our audit

Christopher Mantel (Senior Statutory Auditor)
For and on behalf of



RSM Tenon Audit Limited
Statutory Auditor
Vantage
Victoria Street
Basingstoke
Hampshire

Date - 12/11/10

AVID PLC

CONSOLIDATED PROFIT AND LOSS ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Turnover	2	564,874	466,281
Cost of sales		(333,253)	(283,841)
Gross profit		231,621	182,440
Distribution costs		(95,105)	(87,673)
Administrative expenses		(157,937)	(146,463)
Operating loss	3	(21,421)	(51,696)
Interest payable	5	(28,619)	-
Loss on ordinary activities before taxation		(50,040)	(51,696)
Tax on loss on ordinary activities	6	-	-
Loss for the financial year		(50,040)	(51,696)

The profit and loss account has been prepared on the basis that all operations are continuing operations

There are no recognised gains and losses other than those passing through the profit and loss account

The notes on pages 10 to 18 form part of these financial statements

AVID PLC

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 DECEMBER 2009

	Notes	2009 £	2008 £
Loss for the financial year Attributable to the shareholders		(21,421)	(51,696)
		<hr/>	<hr/>
Total recognised gains and losses relating to the year		(21,421)	(51,696)
Prior year adjustment	8	(371,855)	-
		<hr/>	<hr/>
Total gains and losses recognised since the last annual report		(393,276)	(51,696)
		<hr/>	<hr/>

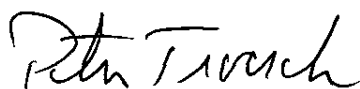
The notes on pages 10 to 18 form part of these financial statements

AVID PLC

COMPANY NUMBER: 2691049 CONSOLIDATED BALANCE SHEET 31 DECEMBER 2009

	Notes	£	2009	£	£	Restated 2008	£
Fixed assets							
Tangible assets	9			5,470			6,496
Current assets							
Stocks	11	38,150			37,272		
Debtors	12	37,418			32,705		
Cash at bank and in hand		77,339			102,148		
		<u>152,907</u>			<u>172,125</u>		
Creditors: Amounts falling due within one year	13	<u>(25,537)</u>			<u>(34,565)</u>		
Net current assets				<u>127,370</u>			<u>137,560</u>
Total assets less current liabilities				132,840			144,056
Creditors: Amounts falling due after more than one year	14			<u>(690,282)</u>			<u>(651,458)</u>
Net liabilities				<u>(557,442)</u>			<u>(507,402)</u>
Capital and reserves							
Called up share capital	15			50,000			50,000
Profit and loss account	16			(607,442)			(557,402)
Shareholders' deficit							
Equity interests	17			<u>(557,442)</u>			<u>(507,402)</u>

The financial statements were approved by the board on 12/11/10 and signed on its behalf by -



P Troesch
Director

The notes on pages 10 to 18 form part of these financial statements

AVID PLC

COMPANY NUMBER: 2691049 COMPANY BALANCE SHEET 31 DECEMBER 2009

			2009		<i>Restated</i> 2008	
	Notes	£	£	£	£	
Fixed assets						
Tangible assets	9		5,470		6,496	
Investments	10		<u>4</u>		<u>4</u>	
			5,474		6,500	
Current assets						
Stocks	11	38,150		37,272		
Debtors	12	37,418		32,705		
Cash at bank and in hand		<u>77,339</u>		<u>102,148</u>		
		152,907		172,125		
Creditors: Amounts falling due within one year	13	<u>(25,537)</u>		<u>(34,565)</u>		
Net current assets			<u>127,370</u>		<u>137,560</u>	
Total assets less current liabilities			132,844		144,060	
Creditors: Amounts falling due after more than one year	14		<u>(690,282)</u>		<u>(651,458)</u>	
Net liabilities			<u>(557,438)</u>		<u>(507,398)</u>	
Capital and reserves						
Called up share capital	15		50,000		50,000	
Profit and loss account	16		<u>(607,438)</u>		<u>(557,398)</u>	
Shareholders' deficit						
Equity interests	17		<u>(557,438)</u>		<u>(507,398)</u>	

The financial statements were approved by the board on
behalf by -

12/11/10

and signed on its



P Troesch
Director

The notes on pages 10 to 18 form part of these financial statements

AVID PLC

CONSOLIDATED CASH FLOW STATEMENT YEAR ENDED 31 DECEMBER 2009

		2009		2008	
	Notes	£	£	£	£
Net cash (outflow)/inflow from operating activities	18		(22,689)		67,493
Capital expenditure					
Purchase of tangible fixed assets		(2,170)		(7,108)	
Sale of tangible fixed assets		<u>50</u>		<u>75</u>	
Net cash outflow for capital expenditure			(2,120)		(7,033)
Tax			-		-
(Decrease)/Increase in cash in the period	19		<u>(24,809)</u>		<u>60,460</u>

The notes on pages 10 to 18 form part of these financial statements

AVID PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

1 Accounting policies

1 1 Accounting convention

The financial statements have been prepared under the historical cost convention

The company relies upon the support of its parent company Avid Identification Systems Inc who have indicated their willingness to continue to support the company for the foreseeable future. On this basis, the directors consider it appropriate to prepare the financial statements on the going concern basis

1 2 Compliance with accounting standards

The financial statements are prepared in accordance with applicable accounting standards

1 3 Turnover

Turnover represents the total invoice value, excluding value added tax, of goods sold and services rendered during the year

1 4 Basis of consolidation

The consolidated financial statements include the company and its subsidiary undertakings. The results of subsidiaries acquired or disposed of during the year are included in the consolidated profit and loss account from the date of their acquisition or up to date of their disposal. Intra-group sales and profits are eliminated fully on consolidation

1 5 Tangible fixed assets and depreciation

Tangible Fixed Assets are stated at cost less depreciation. Depreciation is provided using the following rates and bases to reduce by annual instalments the cost, less estimated value, of the tangible assets over their estimated useful lives -

Fixtures and fittings	33% Straight line per annum
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1 6 Stocks

Stocks are valued at the lower of cost and net realisable value. The basis of the valuation is the purchase price, plus attributable import duties

AVID PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

Accounting policies (continued)

1 7 Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes in accordance with FRS19 - Deferred Tax

1 8 Foreign currency translation

Monetary assets and liabilities denominated in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. All differences are taken to the profit and loss account.

1 9 Investments

Fixed asset investments are stated at cost.

1 10 Operating leases

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

AVID PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

2 Turnover

The turnover and pre-tax result are wholly attributable to the group's main activity

The geographical split of turnover is as follows

	2009 £	2008 £
United Kingdom	453,806	374,599
Europe	79,082	63,565
Rest of the World	31,986	28,117
	<hr/>	<hr/>
	564,874	466,281

3 Operating loss

2009 £	2008 £
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The operating loss is stated after charging/(crediting) -

Administrative depreciation of tangible assets	3,196	1,765
Profit on sale of fixed asset	(50)	(75)
Auditors remuneration	7,510	7,400
Auditors remuneration for non audit services -		
- Taxation	1,810	810
- Accountancy	2,000	2,000
- Other	2,575	-
	<hr/>	<hr/>

AVID PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

	2009 £	2008 £
4 Directors and employees		
Staff Costs -		
Wages and salaries	89,063	88,640
Social security costs	8,162	7,882
	<u>97,225</u>	<u>96,522</u>

The average monthly number of employees during the year was made up as follows

	Number	Number
Office and management	2	2
Sales	3	3
	<u>5</u>	<u>5</u>

There were no directors' emoluments during the year

5 Interest payable

	2009 £	2008 £
Other interest	28,619	-

6 Taxation

	2009 £	2008 £
Domestic current year tax charge		
UK corporation tax	-	-
Factors affecting the tax charge for the year		
Loss on ordinary activities before taxation	(50,040)	(51,696)
(Loss) on ordinary activities before taxation multiplied by standard rate of UK corporation tax of 21% (2008 30%)	(10,508)	(15,509)
Effects of		
Non deductible expenses	947	2,610
Depreciation	671	530
Capital allowances	(639)	(2,509)
Unrelieved tax losses	9,529	14,878
Current tax charge	<u>-</u>	<u>-</u>

The company has estimated tax losses of £66,000 (2008 - £50,000) No deferred tax asset has been recognised due to uncertainty over the timing of taxable profits

AVID PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

7 Profit for the financial period

As permitted by Section 230 of Companies Act 1985, the parent company's profit and loss account has not been included in these financial statements. The loss (2008 - loss) of the parent company for the year was £50,040 (2008 - £51,696).

8 Prior year adjustment

The prior year adjustment relates to an intercompany creditor of £371,855 which was written back to the profit and loss account when it should have been capitalised as preference shares.

9 Tangible assets Group & Company	Fixtures and Fittings £	Total £
Cost		
At 1 January 2009	39,289	39,289
Additions	2,170	2,170
Disposals	-	-
	<u>41,459</u>	<u>41,459</u>
At 31 December 2009		
Depreciation		
At 1 January 2009	32,793	32,793
Charge for year	3,196	3,196
Disposals	-	-
	<u>35,989</u>	<u>35,989</u>
At 31 December 2009		
Net book value at 31 December 2009	<u>5,470</u>	<u>5,470</u>
Net book value at 31 December 2008	<u>6,496</u>	<u>6,496</u>

AVID PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

10 Investments - company	2009	2008
	£	£
Shares in unlisted group undertakings at cost	<u>4</u>	<u>4</u>
The company holds two ordinary shares of £1 each in Pettrac Limited and Labtrac Limited, which represents 100% of the issued ordinary share capital of those companies. Both companies are registered in England and Wales and were dormant during the year and the previous year.		
11 Stocks - group and company	2009	2008
	£	£
Finished goods and goods for resale	<u>38,150</u>	<u>37,272</u>
12 Debtors - group and company	2009	2008
	£	£
Trade debtors	28,692	21,326
Other debtors	<u>8,726</u>	<u>11,379</u>
	<u>37,418</u>	<u>32,705</u>
13 Creditors: amounts falling due within one year – group and company	2009	2008
	£	£
Trade creditors	1,623	6,896
Accruals and deferred income	8,043	20,190
Other taxation and social security	8,736	782
Other creditors	<u>7,135</u>	<u>6,697</u>
	<u>25,537</u>	<u>34,565</u>
14 Creditors: amounts falling due after more than one year - group and company	2009	Restated 2008
	£	£
Amounts owed to ultimate parent undertaking	318,427	279,603
Preference shares classed as liabilities	<u>371,855</u>	<u>371,855</u>
	<u>690,282</u>	<u>651,458</u>

AVID PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

15	Share capital	2009 £	<i>Restated</i> 2008 £
	Authorised share capital		
	Equity interests.		
	50,000 Ordinary shares of £1 each	50,000	50,000
	Non-equity interests.		
	371,855 Redeemable Preference shares of £1 each	<u>371,855</u>	<u>371,855</u>
		<u>421,855</u>	<u>421,855</u>
	Allotted, called up and fully paid		
	Equity interests.		
	50,000 Ordinary shares of £1 each	<u>50,000</u>	<u>50,000</u>
16	Statement of movement on profit and loss	2009 £	<i>Restated</i> 2008 £
	Group		
	Accumulated losses at 1 January as previously stated	(557,402)	(133,851)
	Prior year adjustment	-	(371,855)
	Accumulated losses at 1 January restated	<u>(557,402)</u>	<u>(505,706)</u>
	Loss for the financial year	<u>(50,040)</u>	<u>(51,696)</u>
	Accumulated losses at 31 December	<u>(607,442)</u>	<u>(557,402)</u>
	Company		
	Accumulated losses at 1 January as previously stated	(557,398)	(133,847)
	Prior year adjustment	-	(371,855)
	Accumulated losses at 1 January restated	<u>(557,398)</u>	<u>(505,702)</u>
	Loss for the financial year	<u>(50,040)</u>	<u>(51,696)</u>
	Accumulated losses at 31 December	<u>(607,438)</u>	<u>(557,398)</u>

AVID PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

17	Reconciliation of movements in equity shareholders' deficit	2009 £	Restated 2008 £	
	Group			
	Loss for the financial year	(50,040)	(51,696)	
	Shareholders' deficit at 1 January	(507,402)	(83,851)	
	Prior year adjustment	-	(371,855)	
	Shareholders' deficit at 31 December	<u>(557,442)</u>	<u>(507,402)</u>	
	Company			
	Loss for the financial year	(50,040)	(51,696)	
	Shareholders' deficit at 1 January	(507,398)	(83,847)	
	Prior year adjustment	-	(371,855)	
	Shareholders' deficit at 31 December	<u>(557,438)</u>	<u>(507,398)</u>	
18	Reconciliation of operating profit to net cash inflow from operating activities	2009 £	2008 £	
	Operating loss	(50,040)	(51,696)	
	Depreciation	3,196	1,765	
	Profit on sale of fixed asset	(50)	(75)	
	(Increase)/decrease in stocks	(878)	1,153	
	Decrease/increase) in debtors	(4,713)	9,000	
	Increase in creditors	<u>29,796</u>	<u>107,346</u>	
	Net cash (outflow)/inflow from operating activities	<u>(22,689)</u>	<u>67,493</u>	
19	Analysis of changes in net funds	At 1 January 2009 £	Cash flow £	At 31 December 2009 £
	Net cash:			
	Cash at bank and in hand	102,148	(24,809)	77,339
	Net funds	<u>102,148</u>	<u>(24,809)</u>	<u>77,339</u>

AVID PLC

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 DECEMBER 2009

20 Reconciliation of net cash flow to movement in net funds

	2009 £	2008 £
Increase in cash in the year	(24,809)	60,460
Net funds at 1 January	102,148	41,688
Net funds at 31 December	<u>77,339</u>	<u>102,148</u>

21 Related party transactions

The company had the following transactions with Avid Identification Systems Inc, the ultimate parent company during the year, and Avid Spain a fellow subsidiary of Avid Identification Systems Inc -

	2009 £	2008 £
Purchases of goods for resale from Avid Identification Systems Inc	253,056	193,482
Purchase of services from Avid Identification Systems Inc	-	63,017
Sales of goods to Avid Identification Systems Inc	-	7,393
Amounts owed to Avid Identification Systems Inc at 31 December	289,808	279,603

22 Commitments under operating leases

At the period end the company had no lease commitments

23 Ultimate parent company and controlling party

The directors consider the ultimate parent company to be Avid Identification Systems Inc, a company incorporated under the laws of the state of California, and the largest group for which consolidated accounts are prepared

The directors consider there to be no controlling party